

Message Text

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PAGE 01 NASSAU 00210 150220Z

ACTION ARA-10

INFO OCT-01 ISO-00 SEC-01 SP-02 USIA-06 AID-05 EB-08
NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01
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E.O. 11652: N/A

TAGS: BBAK BF

SUBJ: REQUEST FOR FCIA APPROVAL OF FMCC LINE OF CREDIT

1. SUMMARY: REPRESENTATIVES OF FORD MOTOR CO. (CARIBBEAN DISTRICT) AND LOCAL ABC MOTORS LTD. MET WITH EMBASSY ECON/COMM OFFICER TO REQUEST EMBASSY USE OF ITS GTOD OFFICES TO RE-ESTABLISH THE FORD MOTOR CREDIT COMPANY (FMCC) LINE OF CREDIT, WHICH IS SUBJECT TO FCIA INSURANCE. END SUMMARY.

2. BACKGROUND INFORMATION: ABC MOTORS LTD. WAS FORMED IN 1964 BY BUTLERS BANK LTD. IN APPROXIMATELY LATE 1965 THE FMCC INITIATED FINANCING OF US VEHICLE PURCHASES BY ABC MOTORS LTD. FROM THE FORD MOTOR COMPANY. THE FMCC LINE OF DOLS 400,000 WAS SECURED BY INSURANCE FURNISHED BY THE FEDERAL COMMISSION OF INSURANCE AGENCY (FCIA).

3. IN AUGUST 1972, BUTLERS BANK PARENT COMPANY WAS SOLD TO ROBERT VESCO AND OWNERSHIP OF ABC MOTORS CONSEQUENTLY WAS MOVED, THROUGH THE CORPORATE CHAIN OF OWNERSHIP TO ROBERT VESCO. FOLLOWING THE FILING OF A SUIT AGAINST ROBERT VESCO BY THE SECURITIES EXCHANGE COMMISSION, THE FCIA INSURANCE FOR THE FMCC FINANCING

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PAGE 02 NASSAU 00210 150220Z

WAS WITHDRAWN. THE LACK OF THIS FINANCING HAS, AND DOES CURRENTLY INHIBIT THE PURCHASE OF US VEHICLES BY ABC MOTORS LTD.

4. IN MAY 1975, THE BAHAMAS SUPREME COURT APPROVED SETTLEMENT OF A SUIT RESULTING IN THE RETURN OF SHARES IN THE PARENT CORPORATION (SENTINEL HOLDINGS

LIMITED) FROM ROBERT VESCO TO OAKES HOLDINGS CORPORATION INC., THE ORIGINAL OWNERS OF THE BUTLERS BANK/ABC MOTORS GROUP. THESE CONTROLLING SHARES HAVE BEEN RETURNED AND RE-REGISTERED IN THE NAME OF OAKES HOLDINGS CORPORATION INC., AND TO ABC'S KNOWLEDGE ROBERT VESCO AND/OR HIS INTERESTS HAVE BEEN, AND ARE COMPLETELY OUT OF ANY OWNERSHIP CONTROL OR OWNERSHIP OF ABC MOTORS LTD.

5. IN LIGHT OF THE EXPULSION OF ROBERT VESCO'S INTEREST AND THE RETURN OF OWNERSHIP TO THE ORIGINAL OWNERS, THE FORD MOTOR COMPANY, FMCC, AND ABC MOTORS LTD. HAVE BEEN INTERESTED IN AND HAVE BEEN TRYING TO RE-ESTABLISH THE FMCC LINE OF CREDIT, WHICH IS SUBJECT TO FCIA INSURANCE.

6. ABC MOTORS AND FORD HAVE BEEN UNABLE TO SECURE FCIA APPROVAL FOR RE-ESTABLISHING THE LINE OF CREDIT. THEY HAVE BEEN UNABLE TO ASCERTAIN THE EXACT REASONS WHY FCIA WILL NOT GIVE APPROVAL NOR HAVE THEY BEEN ABLE TO ASCERTAIN WHO HAS THE AUTHORITY TO MAKE SUCH A DECISION.

7. ACCORDING TO MR. CLUNE, EXECUTIVE VICE PRESIDENT OF ABC MOTORS, VAGUE REFERENCES HAVE BEEN MADE DURING MEETINGS BETWEEN FMCC REPRESENTATIVES AND FCIA ABOUT ROBERT VESCO'S OWNERSHIP AND POSSIBLE POLITICAL CONSEQUENCES THEREOF AND IMPLIED INVOLVEMENT OF ALAN C. BUTLER PAST OR PRESENT WITH ROBERT VESCO. CLUNE STATED THAT LIMITED OFFICIAL USE

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PAGE 03 NASSAU 00210 150220Z

ALTHOUGH BUTLER WAS NAMED IN THE SEC SUIT HE HAS BEEN COMPLETELY ABSOLVED OF ANY INVOLVEMENT AND HAS BEEN EXCUSED OF ANY CONTINUING LITIGATION WHICH IS STILL PROCEEDING AGAINST ROBERT VESCO AND OTHER DEFENDANTS.

8. EMBASSYCOMMENT: EMBASSY WOULD APPRECIATE ANY SPECIFIC INFORMATION THAT CAN BE OBTAINED AS TO WHY FCIA HAS NOT AGREED TO RE-ESTABLISHMENT OF FMCC LINE OF CREDIT AND WHA ACTIONS NEED TO BE TAKEN BY FORD OR ABC MOTORS TO OBTAIN SUCH APPROVAL.
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Disposition Approved on Date:
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